

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

MARKET DOMINANT PRODUCT PRICES
INBOUND MARKET DOMINANT MULTI-SERVICE AGREEMENTS
WITH FOREIGN POSTAL OPERATORS 1

Docket No.
R2015-6

CHINA POST GROUP - UNITED STATES POSTAL SERVICE
MULTI-PRODUCT BILATERAL AGREEMENT (MC2010-35)
NEGOTIATED SERVICE AGREEMENT

COMPETITIVE PRODUCT PRICES
INBOUND COMPETITIVE MULTI-SERVICE AGREEMENTS WITH
FOREIGN POSTAL OPERATORS

Docket No.
CP2015-136

CHINA POST GROUP – UNITED STATES POSTAL SERVICE
MULTI-PRODUCT BILATERAL AGREEMENT (MC2010-34)
NEGOTIATED SERVICE AGREEMENT

**NOTICE OF THE UNITED STATES POSTAL SERVICE OF FILING MODIFICATION
TO AN INBOUND MARKET DOMINANT MULTI-SERVICE AGREEMENTS WITH
FOREIGN POSTAL OPERATORS 1 NEGOTIATED SERVICE AGREEMENT AND TO
AN INBOUND COMPETITIVE MULTI-SERVICE AGREEMENTS WITH FOREIGN
POSTAL OPERATORS 1 NEGOTIATED SERVICE AGREEMENT
(November 15, 2016)**

The negotiated service agreement that is the subject of both of the above-captioned dockets, a bilateral agreement (MC2010-35 and MC2010-34) between the United States Postal Service (“Postal Service”) and China Post Group (“China Post”), (the “Agreement”) is scheduled to expire on December 31, 2016.¹ The Postal Service and China Post have signed a modification to the Agreement to extend its expiration date by three months to March 31, 2017, absent earlier termination by the parties (the

¹ PRC Order No. 2731, Order Approving Additional Inbound Market Dominant Multi-Service Agreement with Foreign Postal Operators 1 Negotiated Service Agreement (with China Post Group), Docket No. R2015-6, September 28, 2015, at 12-14; PRC Order No. 2708, Order Approving Additional Foreign Postal Operators 1 Negotiated Service Agreement, Docket No. CP2015-136, September 15, 2015, at 6-7.

“Modification”). A copy of the executed Modification accompanies this notice as Attachment 1.

Because of a variety of factors, including the complexity of the negotiations, the Postal Service and China Post have not yet entered into a successor to the Agreement. The Modification’s three-month extension of the Agreement’s expiration date is intended to allow for the completion of negotiations on a successor contract; the duration of the three-month extension also corresponds with the parties’ quarterly invoicing.

Accordingly, the Postal Service respectfully requests that the Commission approve the Modification and continue to list the Agreement in the Mail Classification Schedule through March 31, 2017.

Respectfully submitted,

UNITED STATES POSTAL SERVICE
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November 15, 2016

**MODIFICATION ONE TO THE
CHINA POST GROUP - UNITED STATES POSTAL SERVICE
MULTI-PRODUCT BILATERAL AGREEMENT**

This "Modification" amends the China Post Group – United States Postal Service Multi-Product Bilateral Agreement between the United States Postal Service ("USPS"), an independent establishment of the Executive Branch of the Government of the United States, with offices at 475 L'Enfant Plaza SW, Washington, DC 20260, and China Post Group ("China Post"), the postal operator in the People's Republic of China, organized and existing under the laws of the People's Republic of China, and having a place of business at No. 3A Financial Street, Xicheng District, 100808, Beijing, China, which was executed by USPS on August 27, 2015, and which was executed by China Post on August 21, 2015 (the "Agreement"). The USPS and China Post may be referred to individually as a "Party" and together as the "Parties."

The Modification replaces the sentence in paragraph 2 of Article 23 of the Agreement that reads, "The Agreement shall remain in effect after the Effective Date until December 31, 2016, unless terminated sooner pursuant to Article 9 of this Agreement." with the following replacement text:

"The Agreement shall remain in effect after the Effective Date until March 31, 2017, unless terminated sooner pursuant to Article 9 of this Agreement."

All other terms and conditions of the Agreement shall remain in force.

The Parties acknowledge and understand that all obligations of the USPS under this Modification shall be contingent on the USPS receiving approvals from and/or non-objection by (hereinafter "Conditions Precedent for this Modification") one or more internal and external bodies that have oversight responsibilities. Conditions Precedent for this Modification may include, but are not limited to, approvals or, if applicable, non-objection from the USPS senior management, the USPS Governors, the USPS Board of Governors, and/or the U.S. Postal Regulatory Commission. The Parties acknowledge that this Modification might not be approved by such bodies. Until such time that all Conditions Precedent for this Modification are fulfilled that are necessary to provide the products or services contemplated under this Modification, no obligation shall exist for the USPS or China Post under this Modification and no benefit or rights granted through this Modification shall inure to either Party unless and until the Conditions Precedent for this Modification have been fulfilled.

In the event that the Conditions Precedent for this Modification are not fulfilled, the USPS and China Post shall have no liability arising from this Modification, which shall include no obligation to pay costs associated with any action taken by China Post prior to the fulfillment of Conditions Precedent for this Modification. Further, in the event of the failure of any Condition Precedent for this Modification, neither Party shall be held liable for any damages relating to the Modification including, without limitation, the following: actual damages; special damages; indirect damages; incidental damages; punitive damages; consequential damages; or any other damages, which shall include

but not be limited to damages for loss of business profits; business interruption; any other loss; and/or any cost incurred by either Party attributable to such non-approval such as attorney's fees.

China Post acknowledges that, as part of securing approval of this Agreement and in other subsequent regulatory filings, this Modification and supporting documentation will be filed with the U.S. Postal Regulatory Commission ("Commission") in docketed proceedings (R2015-6 and CP2015-136). China Post also acknowledges that the USPS shall furnish a copy of this Modification to the U.S. Department of State. China Post authorizes the USPS to determine the scope of information that must be made publicly available in any Commission docketed proceeding in which information related to this Modification must be filed. China Post further understands that any unredacted portion of this Modification or supporting information may be posted on the Commission's public website, <http://www.prc.gov>. In addition, the USPS may be required to file information in connection with this instrument (including revenue, cost or volume data) in other Commission dockets, including the Commission docket number for the Annual Compliance Report (ACR) for the USPS fiscal year(s) in which the Agreement is in effect. Each ACR docket has a distinct docket number, such as ACR201#, in which ACR201# signifies the USPS fiscal year to which the ACR pertains. China Post has the right, in accordance with the Commission's rules, to address its confidentiality concerns directly with the Commission. The procedure for making an application to the Commission for non-public treatment of materials believed to be protected from disclosure is found at Title 39, Code of Federal Regulations, Section 3007.22, on the Commission's website, <http://www.prc.gov/Docs/63/63467/Order225.pdf>. At China Post's request, the USPS will notify China Post of the docket numbers of other Commission proceedings, if any, used in connection with the filing of this Modification.

The Parties may execute this Modification in one or more counterparts (including by facsimile or by electronic means such as .pdf format). Not all Parties need to be signatories to the same document. All counterpart signed documents shall be deemed an original and one instrument.

IN WITNESS WHEREOF, the Parties agree to be bound as of the latest date of signature to the terms and conditions of this Modification.

CHINA POST GROUP

LI Xiong
Senior Vice President

Date



UNITED STATES POSTAL SERVICE

Cliff Rucker
Senior Vice President, Sales and Customer Relations

Date


